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June 25, 2009

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TELEPHONE 252-3300
TELECOPIER 256-8062

TRACEY C. GREEN
ALAN WILSON
SPECIAL COUNSEL

*ALSO ADMITTED IN TX

VIA HAND-DELIVERY

The Honorable Charles L.A. Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RECEIVED
2009 JUN 25 AM 9:59
SOUTH CAROLINA
PUBLIC SERVICE
COMMISSION

RE: Application of Carolina Water Service, Inc. for Approval of a Contract with Ideal Construction Company, Inc. to Serve Property in Richland County, South Carolina. Docket No. 2009-259-S

Dear Mr. Terreni:

Enclosed for filing are the original and ten (10) copies of the Application of Carolina Water Service, Inc., in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing and hearing. By copy of this letter, I am serving a copy of these documents upon the Executive Director of the Office of Regulatory Staff and enclose a Certificate of Service to that effect.

I would appreciate your acknowledging receipt of this Application and Certificate by date-stamping the extra copies that are enclosed and returning it to me via our courier.

If you have any questions or if you need any additional information, please do not hesitate to contact us.

Sincerely,

WILLOUGHBY & HOEFER, P.A.



Benjamin P. Mustian

BPM/ccm

Enclosures

cc: Honorable C. Dukes Scott

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2009-____-S

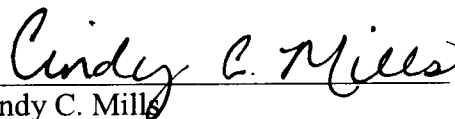
IN RE:

)
)
) Application of Carolina Water Service,
) Inc., for approval of a contract with
) Ideal Construction Company, Inc.
) to serve property in Richland County,
) South Carolina
)
_____)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of **Carolina Water Service, Inc.'s Application and Notice of Filing** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

Honorable C. Dukes Scott
Office of Regulatory Staff
Post Office Box 11263
Columbia, South Carolina 29211


Cindy C. Mills

Columbia, South Carolina
This 25th day of June, 2009.

2009 JUN 25 AM 9:59
SC PUBLIC SERVICE
COMMISSION

RECEIVED

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2009-159-S

RECEIVED
PUBLIC SERVICE
COMMISSION
JUL 23 2009

IN RE:)

Application of Carolina Water Service,)
Inc. for approval of a contract with)
Ideal Construction Company, Inc.)
to serve property in Richland County,)
South Carolina)
_____)

APPLICATION

Carolina Water Service, Inc. ("Applicant" or "Utility") hereby submits a contract between it and Ideal Construction Company, Inc. ("Developer") for consideration by this Honorable Commission under Vol. 26 S.C. Code Ann. Regs. R. 103-541 (Supp. 2009). In support of this Application, Applicant would respectfully show as follows:

1. Applicant is a public utility currently authorized to operate water and wastewater systems under the jurisdiction of the Public Service Commission of South Carolina ("Commission") in Richland County, as well as certain other counties in this state. Its corporate charter is presently on file with the Commission and an appropriate bond has been posted with same. A schedule of the current rates and charges for Applicant's water and wastewater service has previously been approved by the Commission in Docket No. 2006-92-W/S by way of Order No. 2008-855, dated December 30, 2008.

2. The Applicant seeks approval of an agreement entered into between Applicant and the Developer dated May 28, 2009, ("Agreement"), a copy of which is attached hereto and incorporated herein by reference as Exhibit "A." Under Article IV, § 1 of the Agreement,

Applicant will provide wastewater utility service to the referenced property pursuant to all of the terms, conditions, rates and charges set forth as are on file with this Commission and in effect from time to time.

3. Pursuant to this agreement, Applicant proposes to serve a certain real estate parcel containing approximately nine (9) acres located on Farming Creek Road in White Rock, Richland County, South Carolina ("Property"). Developer desires to develop the property into a multi-unit commercial development which, when completed, will have an estimated wastewater usage of approximately five thousand three hundred gallons per day. The Agreement provides, *inter alia*, that Developer will construct all of the necessary wastewater collection facilities ("Facilities") required to serve the Property, interconnect the facilities with the Utility's existing wastewater systems, acquire all necessary easements and rights-of-way ("Easements") and convey such Facilities and Easements to Applicant. Performance of the Agreement is conditioned upon its approval by this Commission.


4. The Property is within Applicant's Commission authorized Service Area in Richland County. Accordingly, no other public utility is authorized to serve the proposed development.

5. Pursuant to Article II, § 15 of the Agreement, the Developer has agreed to pay to the Utility wastewater service connection and plant impact fees based upon an estimated fourteen (14) single family equivalent connections to serve the Property. Pursuant to Article II, § 14 of the Agreement, Applicant has agreed to reserve adequate sewer utility capacity for the Property. Applicant submits that this provision is warranted and in the public interest as the terms of this contract allow the Utility to adequately engage in planning for operations.

6. Applicant submits that the public convenience and necessity will be served by the approval of this Agreement. Applicant further submits that no hearing in this matter is required. See S.C. Code Ann. § 58-5-240(G) (Supp.2009).

7. All correspondence and communications regarding this matter should be sent to the undersigned.

WHEREFORE, having fully set forth its Application, Applicant prays that the Agreement be approved, that a hearing on the within matter be waived or review of the within application be expedited, and that Applicant be granted such other and further relief as the Commission may deem just and proper.



John M.S. Hoefer
Benjamin P. Mustian
WILLOUGHBY & HOEFER, PA
Post Office Box 8416
Columbia, South Carolina 29202-8416
803-252-3300

Attorneys for Applicant

Columbia, South Carolina
This 25th day of June, 2009

JH
6.9.09

AGREEMENT FOR SEWER SERVICE
IDEAL CONSTRUCTION COMPANY, INC.
RICHLAND COUNTY, SC

This Agreement is entered into this 28th day of May, 2009 by and between Ideal Construction Company, Inc., existing under the laws of the State of South Carolina and authorized to do business in South Carolina (hereinafter referred to as "Developer"), and Carolina Water Service, Inc., a Delaware corporation authorized to do business in South Carolina (hereinafter referred to as "Utility").

WITNESSETH

WHEREAS, Developer is the owner of a certain real estate parcel containing approximately nine (9) acres (Tax Parcel # R03300-07-06) and the portions of which are being developed are located on Farming Creek Road in White Rock, Richland County, South Carolina, hereinafter referred to as the "Property" (see "Exhibit 1"); and,

WHEREAS, Developer desires to develop the Property into a multi-unit commercial development having an estimated wastewater usage of approximately fifty-three hundred (5,300) gallons per day when completed; and,

WHEREAS, Utility is a public utility engaged in the business of furnishing sewer service to the public in its designated Friarsgate Franchised Service Territory located in Richland County and Property is located within the service territory. The Utility desires to have constructed and installed, and the Developer desires to construct and install, the wastewater collection facilities to serve the Property subject to the terms and conditions of this Agreement; and,

WHEREAS, Developer desires Utility to provide wastewater utility service within the Property and Utility desires to provide wastewater utility service according to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants as hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

Representations and Warranties of Developer

Developer represents and warrants that:

1. Developer is the owner of or is duly authorized to act on behalf of the owner(s) of the Property; and,
2. Developer will cooperate fully with the Utility in any and all applications or petitions to public authorities deemed necessary or desirable by Utility in connection with the construction and installation of the Facilities contemplated by this Agreement; and,

3. Developer will convey to the Utility or otherwise vest in the Utility such right, title and interest in and to such real estate as may be reasonably necessary to permit the Utility to carry out the terms and conditions of this Agreement; and,
4. Developer will convey to Utility or provide by recorded subdivision plats such easements or rights of way as the Utility may reasonably require for the Utility's performance of its obligations under this Agreement. Any such plats, conveyances or licenses will be in form reasonably satisfactory to Utility's legal counsel.

ARTICLE II

Obligations and Construction of Facilities by Developer

1. Facilities

Developer shall construct and install all necessary wastewater collection facilities to serve the Property, including but not limited to mains, valves, service laterals, elder valves, manholes, odor control devices, lift station(s) with emergency standby generator(s), and other facilities as are reasonably required to provide adequate wastewater service (hereinafter referred to as the "Facilities"). The duplex lift station shall be equipped with an appropriate sized emergency generator and installed by the Developer to Utility specifications. Wastewater collection mains will have a minimum diameter of eight (8) inches, except where otherwise approved by Utility. The proposed sewer force main system shall connect to an existing manhole on Chadford Road located near the intersection of Farming Creek Rd. and Chadford Rd. at a point as determined by Utility.

2. All materials used by the Developer for said Facilities shall be new, first-class, and suitable for the uses made thereof. Developer guarantees all construction, materials, workmanship, and the trouble-free operation of the Facilities (or any portion of the Facilities) for one year after the Facilities (or such portion of the Facilities) are placed in service.
3. All Facilities constructed and installed by Developer pursuant to this Article II shall be constructed and installed without cost or expense to Utility.
4. All plans, specifications and construction of the Facilities shall be in accordance with applicable standards, requirements, rules and regulations of all governmental bodies and regulatory agencies which may have jurisdiction thereover, and shall have received the written approval of Utility before construction is begun, which approval shall not be unreasonably withheld or delayed.
5. Developer shall save and hold Utility harmless from and against all suits or claims that

may be based upon any injury to any person or property that may occur in the course of the performance of the construction of the Facilities by Developer or by anyone acting on Developer's behalf, or under Developer's supervision and control, including but not limited to claims made by employees of Developer, and Developer shall, at its own cost and expense, pay all costs and other expenses arising therefrom, or incurred in connection therewith, including reasonable attorneys' fees.

6. Developer shall obtain, with cooperation from Utility, all requisite permits and zoning and other approvals and all else required to construct the Facilities, without cost or expense to Utility.
7. All of the Facilities installed by Developer pursuant to this Agreement shall become the property of Utility as installed, without cost or expense to Utility, with the exception of the service lines for which each commercial unit shall retain ownership and maintenance responsibility. Developer shall execute all conveyances, licenses and other documents reasonably requested by Utility as necessary or desirable in its opinion to ensure its ownership of, ready access to, and operation and maintenance of the Facilities. Developer shall furnish Utility with lien waivers in a form reasonably satisfactory to Utility's counsel from Developer and from all suppliers, subcontractors and all other who furnish labor, equipment, materials, rentals, or who perform any services in connection with Facilities construction herein. Developer agrees to provide to Utility documentary evidence, in form satisfactory to Utility, sufficient to establish the original cost of the Facilities. Utility shall have, at all times, all right, title and interest in and to the Facilities.
8. Developer shall not have the right to connect individual unit or out-parcel service connections to the Facilities until such time as the Facilities have been formally accepted by the Utility, written approvals have been received from all governmental bodies and regulatory agencies which may have jurisdiction thereover, payment of all applicable connection fees, and the execution of a separate Service Agreement between the owner of an out-parcel or individual commercial unit and Utility.
9. All connections must be inspected by the Utility prior to backfilling and covering of any pipes. Written notice to the Utility requesting an inspection of a connection shall be made at least forty-eight (48) hours in advance of the inspection, excluding weekends and official Utility holidays.
10. Should the Developer fail to comply with the foregoing inspection provisions, Utility may refuse service to a connection until such time as the appropriate inspections have been completed.
11. Developer shall, prior to the transfer to Utility of the Facilities, grant permanent, assignable easements satisfactory to Utility, without cost or expense to Utility,

- authorizing Utility to own, operate and maintain the Facilities throughout the Property and providing reasonably adequate rights of access and working space for such purposes.
12. Developer shall, upon transfer to Utility of the Facilities, provide to Utility as-built drawings, and all other information (by both hard copy and electronic copy), reasonably required to operate, maintain, and repair the Facilities.
 13. Developer shall submit to Utility upon execution of this Agreement a Plan Review Fee of one thousand dollars (\$1,000.00). Developer shall, prior to the final acceptance of each development phase, or portions thereof, submit to Utility a five-hundred dollar (\$500.00) Inspection Fee. Should the Facilities require additional inspection(s) due to improper installation, defective or unapproved materials, the Developer shall pay one hundred fifty dollars (\$150) for each additional inspection required.
 14. Upon Developer's satisfaction of its obligations under this Agreement, Utility agrees to reserve adequate sewer utility capacity for the Property.
 15. Non-recurring service connection and impact fees ("Tap Fees") shall be paid to Utility for out-parcels, commercial spaces and buildings (collectively referred to as "Units"), under Utility's rate schedule, as may be approved by the Public Service Commission of South Carolina and in effect from time to time, multiplied by the Single Family Equivalent ("SFE") rating set forth therein and will reflect the sum of money which is the non-recurring service connection and plant impact fees ("Tap Fees"). For the project which is the subject of this Agreement, that sum shall be ninety-eight hundred dollars (\$9,800.00) which is based upon an estimated fourteen (14) SFEs and the Utility's current rate schedule of seven hundred dollars (\$700.00) per SFE. This payment, along with the Plan Review Fee and Inspection Fee, totals eleven thousand three hundred dollars (\$11,300.00) and shall be made to the Utility within ten (10) days of the execution of this agreement. Should it be determined that the project contemplated by this Agreement consists of a greater number of SFEs than is estimated hereinabove, then and in that event the Developer shall be required to pay an additional sum to Utility for each additional SFE using the calculation provided for hereinabove conditioned upon first receiving the approval from the Utility for such increase of SFEs. In addition Developer agrees that it will not represent to any third party that utility service is available from Utility for use within the proposed development except (1) upon payment of the Tap Fees as provided hereinabove, (2) execution of a separate Service Agreement with Utility, and (3) establishment of service and an account between said third party and Utility, including payment of all fees and charges authorized under the Utility's approved rate schedule excepting tap fees.

ARTICLE III

Representations and Warranties of Developer

1. Developer will not, and will not permit by restricted land covenant, any owner of real estate within the Property to construct or maintain any private septic tank in the Property.
2. Neither Developer nor any entity or individual affiliated with Developer has executed or will execute any agreement with any lot purchaser in the Property, or any other parties or made any representations to any such purchasers or other parties whereunder such purchaser or other parties have acquired any interest in Facilities to be installed under this Agreement.

ARTICLE IV

Utility Services, Connection Fees, Rates and Charges

1. Prior to the commencement of utility service, lot owners within the Property are responsible for the payment to Utility of all applicable sewer fees, as well as the appropriate sewer tap-on or service fees at the rate as in effect from time to time prior to the provision of utility service to any lot within the Property. Such fees, usage and all other incidental rates and charges shall be rendered by Utility in accordance with Utility's rates, rules and regulations and conditions of service on file with the South Carolina Public Service Commission (the "Commission") from time to time and then in effect. Capacity shall not be reserved for any lot, out-parcel, commercial space or building for which the tap fee has not been paid.
2. Upon installation and acceptance of the Facilities and payment of all applicable connection fees, Utility agrees to supply all customers within the Property with adequate and customary wastewater service and to operate, maintain and repair all Facilities as indicated herein, after acceptance by Utility and issuance of operational approvals by all regulatory authorities.

ARTICLE V

Commission Approval

1. Within thirty (30) days following the execution of this Agreement, Utility will file an application with the Commission requesting approval of this Agreement, if necessary. Developer agrees to cooperate with Utility in any proceeding resulting from such application and to reimburse Utility its reasonable attorney fees, costs and litigation expenses incurred, not to exceed ten thousand dollars (\$10,000) in the event such

application is litigated by the Office of Regulatory Staff or opposed by third parties.
All terms and conditions contained herein are subject to Utility receiving said approvals from the Commission.

ARTICLE VI

General

1. Except as provided in this Agreement, neither party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder, if such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy, interference by civil authorities, acts or failure to act, decisions or orders or regulations of any governmental or military body or agency, office or commission, delays in receipt of materials, or any other cause, whether of similar or dissimilar nature, not within the control of the party affected and which, by the exercise of due diligence, such party is unable to prevent or overcome, except as otherwise provided for herein. Should any of the foregoing events occur, the parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each party may perform its obligations under this Agreement.
2. The failure of either party hereto to enforce any of the provisions of this Agreement or the waiver thereof in any instance by either party shall not be construed as a general waiver or relinquishment on its part of any such provisions, but the same shall, nevertheless, be and remain in full force and effect.
3. The representations, warranties and agreements contained herein shall survive, and continue in effect. Utility agrees to indemnify Developer, its successors and assigns, and hold Developer harmless against any loss, damage, liability, expense or cost accruing or resulting from any misrepresentations or breach of any representation, warranty or agreement on the part of Utility under this Agreement; Developer agrees to indemnify Utility, its successors and assigns, and hold it and them harmless against any loss, damage, liability, expense or cost of Utility, accruing or resulting from any misrepresentation or breach of any representation, warranty or agreement on the part of Developer under this Agreement or from any misrepresentation in or material omission from any certificate or other document furnished or to be furnished to Utility by Developer.
4. This Agreement sets forth the complete understanding between Developer and Utility, and any amendments hereto to be effective must be made in writing.

5. Notices, correspondence and invoicing required hereunder shall be given to Developer and to Utility at the following addresses, or at any other addresses designated in writing by either party subsequent to the date hereof:

If to Utility:

Carolina Water Service, Inc.
2335 Sanders Road
Northbrook, Illinois 60062
Attn: Mrs. Lisa Sparrow
Chief Operating Officer

If to Developer:

Ideal Construction Company, Inc.
Attn: Mr. Bobby Richardson
P.O. Box 705
White Rock, S.C. 29177

Delivery when made by registered or certified mail shall be deemed complete upon mailing. Delivery by overnight courier shall be deemed complete when delivered.

6. This Agreement may not be assigned by Developer without the written approval of Utility, which approval shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
7. This Agreement shall be governed by the laws of the State of South Carolina.
8. If this Agreement is not executed prior to June 1, 2009, then the terms and conditions contained herein will be waived, with no further obligations or responsibilities to either party.

[Signatures Begin on the Following Page]

IN WITNESS WHEREOF, the parties hereto have set their seals the day and year above first written.

Carolina Water Service, Inc.

By: [Signature]
Its: Vice President

Attest/Witness: [Signature]
1) Veronica Stanis, Exec. Assistant

(Print name and title, seal if applicable)

[Signature]
(Print name) Julia Common, Business Manager

Ideal Construction Company, Inc.

By: [Signature]
Its: President

Attest/Witness:
1) [Signature]
Robert Lee Hammock III, Secretary
(Print name and title, seal if applicable)

2) [Signature]
(Print name/ Signature) Sharon L. Shealy

STATE OF S.C.)
COUNTY OF Richland)

Probate

PERSONALLY appeared before me the undersigned witness and made oath that he saw the within named Robert L. Hammock III, President of Ideal Const. Co., Inc. sign, seal and as its act and deed, deliver the within written agreement for the uses and purposes therein mentioned, and that s/he with the other witness subscribed above, witnessed the execution thereof.

SWORN to before me this

28 day of May, 2009

[Signature]
Witness

[Signature]

Notary Public for S.C.

My Commission Expires: 10/22/2018

[seal]

Ideal Construction-Exhibit A

